

Executive Registry

4-6708

September 30, 1953 25-4940

ASSISTANCE FOR THE OPERATIONS COORDINATING BOARD

AGREEMENT Among the Department of State, the Department of Defense, the Foreign Operations Administration and the Central Intelligence Agency

This agreement is entered into pursuant to Section 3 of Executive Order 10483, dated September 2, 1953, establishing the Operations Coordinating Board, to provide assistance to said Board as may be necessary for the purpose of effectuating Executive Order 10483.

1. The Departments of State and Defense, the Foreign Operations Administration, and the Central Intelligence Agency each agree to furnish assistance in the form of the advances of funds or contributions of personnel or administrative services to support the work of the Operations Coordinating Board, in accordance with this agreement and as may be mutually agreed to from time to time and subject to the availability of funds for this purpose.

2. The Executive Officer shall prepare an annual estimate of financial and other requirements necessary to effectuate the work of the Board. The Board will review this estimate and the members of the Board shall each approve for their respective agencies the amount of funds and other support to be reserved for the assistance of the Board subject to the concurrence of the Director of the Budget and the availability of funds for this purpose. Final distribution of the costs of providing assistance to the Board shall take place at the end of each fiscal year and any advanced funds remaining unobligated at that time shall be returned to the member agencies in the same pro-rata distribution as governed the providing of funds and services. The Executive Officer shall report to the Board on each year's financial operations.

3. The Department of State agrees to provide full administrative support for the Board and the staff of the Board, including but not restricted to services in connection with personnel administration; physical and personnel security; budgetary and

State Dept. review completed
Pges 1/2/3.

*NSC Review Completed*Pges

MORI/CDF Pages 1/2/3

- 2 -

financial administration; procurement of supplies and material; travel; property; communications; mail and records, and library services. Full-time permanent personnel on the staff of the Board will normally be appointed in and paid by the Department of State from funds contributed by the several member agencies in accordance with paragraph 1 above and deposited with the Department of State for accounting and disbursement. However, at the request of the Executive Officer, personnel appointed in and paid by any of the other member agencies may be assigned to the Board's work when it is in the best interests of the Board. Also, the Executive Officer may obtain other administrative services from any of the other member agencies when it is mutually agreed between the Executive Officer and the agency concerned.

4. The assistance provided in the form of appropriated funds shall be available for expenditure for the support of the Operations Coordinating Board in accordance with the authorities and regulations of the Department of State.

5. Expenditures for or contributions of personnel or other administrative support on behalf of the Board shall be offset against the agreed pro-rata annual contribution of the agency making the expenditure or contribution or shall be reimbursed from the funds contributed for the support of the Board, whichever is more convenient administratively.

6. Upon the abolition of the Psychological Strategy Board, the space, equipment, records, and property made available by the several member agencies of the Psychological Strategy Board are made available to the Operations Coordinating Board. Any property as may not be needed by the Operations Coordinating Board shall be returned by the Executive Officer to the Department of State for disposal under applicable statutes. Outstanding contracts entered into by the Department of State for the provision of services to the Psychological Strategy Board shall be reviewed by the Executive Officer and either retained on behalf of the Operations Coordinating Board or terminated as the facts warrant. The unobligated balances of funds for FY 1954 already advanced for the support of the Psychological Strategy Board and administered by the Department of State are made available to the Operations Coordinating Board upon the abolition of the Psychological Strategy Board.

7. This agreement will be governed, where applicable, by Section 214, Public Law 49, 79th Congress, 1st Session, approved May 3, 1945 (59 Stat. 106), and Section 601 of the Economy Act of

- 3 -

June 30, 1932 (31 USC 686), and shall remain in force until 30 June 1954 unless amended by the parties hereto, and shall remain in effect after that date provided funds are appropriated for that purpose unless rescinded by the parties hereto.

FOR THE DEPARTMENT OF STATE:

FOR THE DEPARTMENT OF DEFENSE:


Under Secretary of State

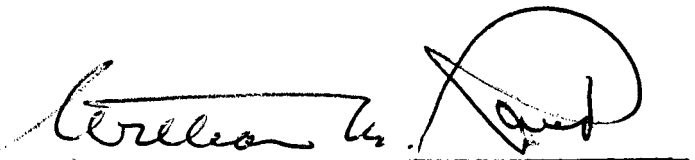

for Deputy Secretary of Defense

FOR THE CENTRAL INTELLIGENCE AGENCY:

FOR THE FOREIGN OPERATIONS ADMINISTRATION:




Director of Central Intelligence


Deputy Director

FOIAB3B

Noted:


Acting Executive Officer,
Operations Coordinating Board

24 September 1953

MEMORANDUM FOR: Mr. Houston

SUBJECT : Assistance for the Operations Coordinating Board

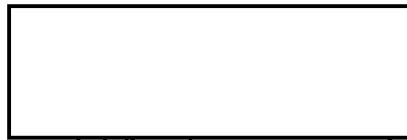
1. Attached is Executive Order 10483 and the draft agreement, same subject as above. The preamble to the agreement provides that it is entered into pursuant to EO 10483. I note that Section 3 of the Executive Order starts out with the three words "Consonant with law." I think we both feel substantially the same on this point that the legal grounds are rather tenuous.

2. Paragraph 1 of the agreement indicates that the four agencies concerned as a matter of principle would contribute approximately equal shares to support the Board, although different shares may be agreed upon. A quick glance at the financial statement as of 1 November 1953 indicates that neither State nor FOA will actually contribute any cash. Of the \$569,000 budget, CIA is expected to contribute \$380,000 or slightly more than two thirds. As a policy matter, this heavy support by CIA of the Board might be subject to some query either in the Bureau of the Budget or in the Congress.

3. Paragraph 3 of the agreement provides that funds should be available for expenditure to cover costs of the staff of the OCB, including employment of personnel, procurement of supplies, travel expenses, etc. This phrasing would indicate that the Board is actually conceived as more than just an interagency committee or board and in actuality partakes in the nature of a new executive agency of the Government. From a legal standpoint the Board cannot employ people nor can it procure supplies. In fact, it must do these things through the member agencies. It is noted that in paragraph 4 the full-time permanent personnel on the staff of the Board will normally be appointed in and paid by State. From the Bureau of the Budget standpoint, this type of "subterfuge" would in a sense tend to distort the budget and personnel figures of the department.

4. The closing words of paragraph 7 of the agreement provide that it "shall remain in force until rescinded by the Board." Obviously the agreement can be amended or rescinded by the departments concerned without reference to the Board as such. This may be a mere technicality, but it seems inappropriate that an agreement should permit the Board to perpetuate itself.

5. Because of the fact of its large financial contribution and because of the probable heavy reliance by CIA on OCB, it would seem that the CIA has a special responsibility in the OCB to assure that such a mechanism is firmly and soundly established in a lawful manner. I would suggest consideration be given to discussing the basic legal and policy problems involved with Mr. Dulles or General Cabell with a view of taking action possibly with the Bureau of the Budget and GAO. Fundamentally, OCB is no different than PSB and the same general problems obtain.



JOHN S. WARNER
Executive Officer
Office of the DD/A

2 Att - Assistance for OCB
EO 10483

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EXECUTIVE ORDER 10483

ESTABLISHING THE OPERATIONS
COORDINATING BOARD

By virtue of the authority vested in me by the Constitution and statutes, and as President of the United States, it is hereby ordered as follows:

SECTION 1. (a) In order to provide for the integrated implementation of national security policies by the several agencies, there is hereby established an Operations Coordinating Board, hereinafter referred to as the Board, which shall report to the National Security Council.

(b) The Board shall have as members the following: (1) the Under Secretary of State, who shall represent the Secretary of State and shall be the chairman of the Board, (2) the Deputy Secretary of Defense, who shall represent the Secretary of Defense, (3) the Director of the Foreign Operations Administration, (4) the Director of Central Intelligence, and (5) a representative of the President to be designated by the President. Each head of agency referred to in items (1) to (4), inclusive, in this section 1 (b) may provide for an alternate member who shall serve as a member of the Board in lieu of the regular member representing the agency concerned when such regular member is for reasons beyond his control unable to attend any meeting of the Board; and any alternate member shall while serving as such have in all respects the same status as a member of the Board as does the regular member in lieu of whom he serves.

(c) The head of any agency (other than any agency represented under section 1 (b) hereof) to which the President from time to time assigns responsibilities for the implementation of national security policies, shall assign a representative to serve on the Board when the Board is dealing with subjects bearing directly upon the responsibilities of such head. Each such representative shall be an Under Secretary or corresponding official and when so serving such representative shall have the same status on the Board as the members provided for in the said section 1 (b).

(d) The Special Assistant to the President for National Security Affairs may attend any meeting of the Board. The Director of the United States Information Agency shall advise the Board at its request.

SEC. 2. The National Security Council having recommended a national security policy and the President having approved it, the Board shall (1) whenever the President shall hereafter so direct, advise with the agencies concerned as to (a) their detailed operational planning responsibilities respecting such policy, (b) the coordination of the interdepartmental aspects of the detailed operational plans developed by the agencies to carry out such policy, (c) the timely and coordinated execution of such policy and plans, and (d) the execution of each security action or project so that it shall make its full contribution to the attainment of national

security objectives and to the particular climate of opinion the United States is seeking to achieve in the world, and (2) initiate new proposals for action within the framework of national security policies in response to opportunity and changes in the situation. The Board shall perform such other advisory functions as the President may assign to it and shall from time to time make reports to the National Security Council with respect to the carrying out of this order.

SEC. 3. Consonant with law, each agency represented on the Board shall, as may be necessary for the purpose of effectuating this order, furnish assistance to the Board in accordance with section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691). Such assistance may include detailing employees to the Board, one of whom may serve as its Executive Officer, to perform such functions, consistent with the purposes of this order, as the Board may assign to them.

SEC. 4. The Psychological Strategy Board shall be abolished not later than sixty days after the date of this order and its outstanding affairs shall be wound up by the Operations Coordinating Board.

SEC. 5. As used herein, the word "agency" may be construed to mean any instrumentality of the executive branch of the Government, including any executive department.

SEC. 6. Nothing in this order shall be construed either to confer upon the Board any function with respect to internal security or to in any manner abrogate or restrict any function vested by law in, or assigned pursuant to law to, any agency or head of agency (including the Office of Defense Mobilization and the Director of the Office of Defense Mobilization).

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

September 2, 1953

(F. R. Doc. 53-7812; Filed, Sept. 3, 1953; 4:03 p. m.)

ASSISTANCE FOR THE OPERATIONS COORDINATING BOARD

Agreement Among the Department of State, the Department of Defense, the Foreign Operations Administration and the Central Intelligence Agency

This agreement is entered into pursuant to Section 3 of Executive Order 10483, dated September 2, 1953, establishing the Operations Coordinating Board, to provide assistance to said Board as may be necessary for the purpose of effectuating Executive Order 10483.

See new
par. 1 in
24 Sept
memo

1. ~~The Departments of State and Defense, the Foreign Operations Administration, and the Central Intelligence Agency each agree to furnish assistance in the form of the advance of funds and contribution of personnel and administrative services in approximately equal shares to support the work of the Operations Coordinating Board, except as different pro-rata shares may be mutually agreed to from time to time.~~

2. The Executive Officer shall prepare an annual estimate of financial and other requirements necessary to effectuate the work of the Board. The Board will review this estimate and the members of the Board shall each approve for their respective agencies the amount of funds and other support to be reserved for the assistance of the Board subject to the concurrence of the Director of the Budget and the availability of funds. Final distribution of the costs of providing assistance to the Board shall take place at the end of each fiscal year and any advanced funds remaining unobligated at that time shall be returned to the member agencies in the same pro-rata distribution as governed the providing of funds and services. The Executive Officer shall report to the Board on each year's financial operations.

4. The assistance provided in the form of appropriated funds shall be available for expenditure ~~to cover the costs of the staff of the Operations Coordinating Board which will include, but not be restricted to,~~ such costs as employment of personnel; the temporary hiring of experts and consultants; the procurement of necessary supplies, services, and equipment; travel expense for the staff, for other personnel assigned to the work of the Board and for temporary experts and consultants while engaged on business for the Board in accordance with appropriate official travel orders, ~~in accordance with the authorities and regulations of the administrative agency.~~

3. The Department of State agrees to provide full administrative support for the Board and the staff of the Board, including but not restricted to, services in connection with personnel administration; physical and personnel security; budgetary and financial administration; procurement of supplies and material; travel; property; communications; mail and records, and library services. Full-time permanent personnel on the staff of the Board will normally be appointed in and paid by the Department of State from funds contributed by the several member agencies in accordance with paragraph 1 above and deposited with the Department of State for accounting

may be and disbursement. However, at the request of the Executive Officer, personnel assigned to the Board's work may be appointed in and paid by any of the other member agencies when it is in the best interests of the Board. Also, the Executive Officer may obtain other administrative services from any of the other member agencies when it is in the best interests of the Board.

5. Expenditures for or contributions of personnel or other administrative support on behalf of the Board shall be offset against the agreed pro-rate annual contribution of the agency making the expenditure or contribution or shall be reimbursed from the funds contributed for the support of the Board, whichever is more administratively convenient.

6. Upon the abolition of the Psychological Strategy Board, the space, equipment, records, and property made available by the several member agencies of the Psychological Strategy Board are made available to the Operations Coordinating Board. Any property as may not be needed by the Operations Coordinating Board shall be returned by the Executive Officer to the Department of State for disposal under applicable statutes. Outstanding contracts entered into by the Department of State for the provision of services to the Psychological Strategy Board shall be reviewed by the Executive Officer and either retained on behalf of the Operations Coordinating Board or terminated as the facts warrant. The unobligated balances of funds already advanced for the support of the Psychological Strategy Board and administered by the Department of State are made available to the Operations Coordinating Board upon the abolition of the Psychological Strategy Board.

7. This agreement ^{will be governed, where applicable, by} ~~is entered into pursuant to the authority contained~~ in Section 214, Public Law 49, 79th Congress, 1st Session, approved May 3, 1945 (59 Stat. 106), and Section 601 of the Economy Act of June 30, 1932 (31 USC 686), and shall remain in force ~~until rescinded by the Board, so long~~ as funds are appropriated for its purposes, unless earlier rescinded by the Board.

TO BE SIGNED BY AUTHORIZED REPRESENTATIVES OF EACH MEMBER AGENCY

September 15, 1953

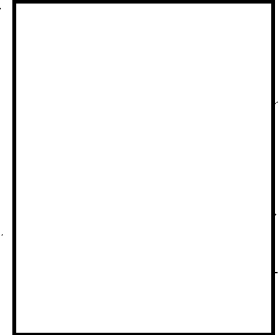
FINANCIAL STATEMENT

BUDGET, EXPENDITURES AND BALANCES OF PSB

(As of Nov. 1, 1953)

STAT

- I 1954 Authorized Budget.
(Budget for July-October \$186,510.00)
- II Estimated Expenditures, July-October
- III Budget Available to OCB



IV Contributions (November 1)

Budget
Received
Balance Due

CIA

DEFENSE

TOTAL

STAT



*Includes \$10,948.20 non-reimbursed personnel services.

9/16/53

206-51 8 12 11 1953
COMBUSTION

September 16, 1953

NOTES ON SEPTEMBER 16 DRAFT OF AGREEMENT
COVERING ASSISTANCE TO THE OPERATIONS COORDINATING BOARD

This draft agreement includes FOA as a party to the agreement as a full member of the Operations Coordinating Board in addition to Defense, State and the Central Intelligence Agency which signed the old Psychological Strategy Board agreement. This agreement is based on Section 3 of the new Executive Order 10483, establishing the Operations Coordinating Board.

Paragraph 1.

This paragraph supports the principle of equal contributions insofar as practicable. However, with respect to the remainder of fiscal 1954 it is expected that the budget already approved for the Psychological Strategy Board is the limit of what would be available to the Operations Coordinating Board under the appropriations already made to the member agencies. The Department of State would continue to provide administrative backstopping in lieu of other contributions and the Foreign Operations Administration probably will not be able to do more than loan personnel for short assignments. The Operations Coordinating Board budget normally should include the value of services of personnel to be contributed without reimbursement. This, in effect, has been the Psychological Strategy Board practice in the past with respect to the contribution without reimbursement of the services of military personnel. In such cases the Defense cash contribution was reduced by the amount of the military contribution. It is expected that the action of the Operations Coordinating Board in approving a budget for the Operations Coordinating Board for the remainder of fiscal 1954 will in effect be the agreement on "different pro-rata shares . . . mutually agreed to . . .", referred to in the last two lines of Paragraph 1.

Paragraph 2.

This paragraph pulls together the elements of financial administration that were scattered in several parts of the old Psychological Strategy Board agreement. It further specifies the review of the Bureau of the Budget, which has done this function informally at the old Board's request for all the Psychological Strategy Board budgets. In addition, it requires a financial report not mentioned in the Psychological Strategy Board agreement, but which has been prepared for 1952 and 1953 fiscal years.

(A financial statement covering the balance of authorized budget and cash available to the Operations Coordinating Board as of November 1 has been prepared for the Operations Coordinating Board member agency information.)

Paragraph 3.

This paragraph defines the purposes for which fund advances may be expended. The definition is similar to that contained in paragraph 1 of the old Psychological Strategy Board order.

Paragraphs 4 and 5.


This paragraph designates the Department of State as the "administrative backstop" for the Operations Coordinating Board acting in the same capacity as it did for the Psychological Strategy Board. For purposes of improved clarity, "administrative support" has been defined. The intent is that the majority of the regular "permanent" staff of the Operations Coordinating Board would all be on the "Operations Coordinating Board's payroll" in the State Department as has been the practice with the Psychological Strategy Board. However, due to special requirements, such as in the case of a consultant having an active security clearance in one of the other agencies it is desirable to retain the option of using persons appointed in a member agency other than State. Similarly, in the case of certain administrative services not readily available through State, the Executive Officer can use the facilities of the other member agencies. Paragraph 5 provides the method for accounting for using the services of the other agencies. The practice varies among agencies as to whether actual reimbursement is received or whether an "offset" is given against the next installment of cash advances. Both have the same result by the end of the fiscal year.

Paragraph 6.

This paragraph provides for the disposition of the property of the Psychological Strategy Board. Inasmuch as the Psychological Strategy Board is not an agency and cannot own property, all Psychological Strategy Board property belongs to the Psychological Strategy Board member agencies, each agency's share being determined by the agency's contributions to the Psychological Strategy Board. This paragraph makes all the Psychological Strategy Board property available for the use of the Operations Coordinating Board. Similarly, the unobligated balances of funds are made available to the Operations Coordinating Board. These funds, however, represent only partial advances made to cover approximately the 1954 fiscal year first quarter of the Psychological Strategy Board operations. (See Financial Statement.)

Paragraph 7.

This paragraph refers to the statutes applicable to the support of the Operations Coordinating Board. Section 601 of the Economy Act of 1932 is referred to in addition to Section 211, PL 49, 79th Congress, 1st Session which is cited in Executive Order 10483.


Charles E. Johnson
Code 1201, Ext. 3651

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